



IOWA AGRICULTURAL  
DEVELOPMENT DIVISION

**IADD BOARD MEETING MINUTES**

**Via conference call**

**July 23, 2014**

**Board Members Present**

Mark Leonard, Chair	John Fredrickson
Lyle Borg, Vice Chair	Annette Townsley
Stacie Euken	

**Board Members Absent**

None

**Staff Members Present**

Lori Beary, Community Development Director	Tim Jansen, Accounting Manager
Steve Ferguson, IADD Program Specialist	Tammy Nebola, IADD Program Specialist
Cindy Harris, CFO	

**Others Present**

Dave Claypool

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**Call to Order**

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Leonard on July 23, 2014 at 8:30 am. A quorum was established with the following Board Members present: Leonard, Borg, Euken, Fredrickson and Townsley.

**Review of Minutes of June 27, 2014 Board Meeting**

Mr. Leonard presented the minutes of the June 27, 2014 IADD Board Meeting.

**MOTION**

On a motion by Mr. Fredrickson and a second by Ms. Euken the Board unanimously approved the minutes of the June 27, 2014 IADD Board meeting.

**Election of Officers**

Ms. Townsley nominated Mr. Leonard for Chair and Mr. Borg for Vice Chair. Mr. Fredrickson seconded the nominations. There being no other nominations, the Board unanimously approved the election of Mr. Leonard as Chair and Mr. Borg as Vice Chair.

**Review of June 2014 financial statement**

Tim Jansen presented the June 2014 financials. He stated that in FY14, IADD had operating income of \$426,295 and operating expense of \$393,045. IADD finished the year with net operating income of \$33,250.

### **MOTION**

On a motion by Mr. Borg and a second by Mr. Fredrickson, the Board unanimously approved the June 2014 financial statement as presented.

### **Beginning Farmer Loan Applications**

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 14-031 – Brian and Darcy Fritz – Beginning farmer loan of \$153,000 to construct a 1,300-head baby pig nursery in O'Brien County. The loan will have a variable interest rate of 3.25% and a loan length of 12 years. The index will be 1.25% below the in-house Savings Bank Reference Rate with a rate ceiling of 12% and a rate floor of 3%. The lender is Savings Bank of Primghar, Iowa.

AG 14-032 – Robert Trumm – Beginning farmer loan to construct a ½ interest in a 1,200-head hog finishing building in Jones County. The loan will have a variable interest rate of 4.50% and a loan length of 10.5 years. The index will be 1.25% above the Wall Street Prime rate. The lender is Ohnward Bank & Trust in Cascade, Iowa.

AG 14-033 – Philip Trumm – Beginning farmer loan to construct a ½ interest in a 1,200-head hog finishing building in Jones County. The loan will have a variable interest rate of 4.50% and a loan length of 10.5 years. The index will be 1.25% above the Wall Street Prime rate. The lender is Ohnward Bank & Trust in Cascade, Iowa.

Robert and Philip Trumm are brothers and will construct and own the hog finishing building together. Federal regulations on depreciable farm property treat related parties on the same project as one entity. So the amount of beginning farmer bonds for this project for Robert and Philip Trumm combined can't be more than \$250,000.

### **MOTION**

On a motion by Ms. Euken and a second by Ms. Townsley, the Board unanimously recommended approval of the Beginning Farmer Loan Applications.

### **Public Hearing on Beginning Farmer Loans**

A public hearing was held by the IADD Board at the Iowa Finance Authority office on July 23, 2014 at 8:45 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 8:46 am.

### **MOTION**

On a motion by Ms. Townsley and seconded by Mr. Borg, the Board unanimously recommended approval of the BFLP Bond documents assuming the total bonds issued for projects AG 14-032 and AG 14-033 does not exceed \$250,000.

### **Beginning Farmer Tax Credit Applications**

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit applications. There were 18 new BFTC applications for an estimated tax credit amount of \$119,703. With tax credits approved previously and these applications, approximately \$4,721,359 in beginning farmer tax credits have been allocated so far in 2014.

Mr. Borg had a question on application 1535. He asked if staff was comfortable that the son will actually be farming the land. Mr. Ferguson explained that the son had other farm ground as well and he was confident the son would be doing the work.

### **MOTION**

On a motion by Ms. Euken and a second by Mr. Fredrickson, the Board unanimously recommended approval of the Beginning Farmer Tax Credit applications 1535, 1540, and 1543 - 1558.

Mr. Ferguson also reported to the Board on a BFTC project where the landlord broke the lease with the beginning farmer and we will be sending out a default letter. According to recent legislation, if the landlord is at fault for terminating the lease with the beginning farmer, the landlord must repay all the tax credits received and will not be able to apply for the program again. We are coordinating with the Iowa Department of Revenue on this issue.

### **Marketing Update**

Included in the Board packet is the IADD marketing calendar. Steve Ferguson discussed the events he's been attending and the ones coming up.

### **Other Business**

The August 22<sup>nd</sup> Board meeting in Lewis near Atlantic was discussed and the agenda was finalized. Invitations will be sent to all IADD contacts.

The next IADD Board meeting will be on Friday, August 22, 2014 at the Wallace Foundation Learning Center in Lewis. The program will begin at 9:30 a.m. with the Board meeting scheduled to begin at 10:30 a.m.

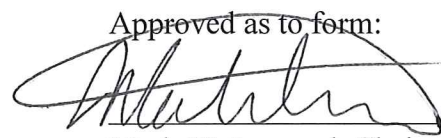
### **Adjournment**

On a motion by Mr. Fredrickson and a second by Mr. Borg, the July 23, 2014 meeting of the IADD Board of Directors adjourned at 9:01am.

Dated this 22<sup>nd</sup> day of August 2014.

Respectfully submitted:

  
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Lori K. Beary  
Director's Designee/Board Secretary

Approved as to form:  
  
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Mark W. Leonard, Chair  
IADD Board